



# Hondo Pass Citizen Collection Station Construction Contract

## Termination Without Cause

October 11, 2022

*Strategic Plan Goal:*

*No. 6 - Set the Standard for Sound Governance and Fiscal Cultural and Educational Environments*

*6.7 Deliver effective and efficient processes to maximize value in obtaining goods and services.*



# 2 Scope of Work

- Construction of the following at the existing Hondo Pass Collection Station:
  - ✓ Roadways, parking lot, retaining walls, and a new access driveway.
  - ✓ Two new metal buildings to house an IT room, break room, and one unisex bathroom.
  - ✓ New guard shack, wrought iron fence, sound barrier, and landscaping.



# Background

- **Contract 2021-1146 for the construction of the Hondo Pass Collection Station to Periken Enterprises, LLC, for \$2,247,463.12 was awarded on July 7, 2021.**
- **Following the award it was determined that a Special Permit was necessary as the property was not zoned for such uses.**
- **The Special Permit was approved by Council on July 19, 2022; the building permit was not ready to issue until September 29, 2002.**
- **The contractor requested an economic adjustment (increase in contract value) on September 14, 2022 in the amount of \$428,913.00 to cover for increased labor and material costs due to COVID and supply chain disruptions.**
- **The contract lacks a provision for economic adjustments. Periken has requested that the City terminate the contract for convenience.**

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# Recommendation

- **Terminate contract 2021-1146 Hondo Pass Citizen Collection Station Construction with Periken Enterprises, LLC without cause effective October 19, 2022**
- **Re-advertise the project for bid in October 2022**